

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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SUBJECT	Factories and Mills in East and South China	DATE DISTR.	19 June 1953
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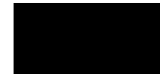
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. The Chinese Communists, after signing the trade agreement with Ceylon,¹ established new rubber factories in Shantung and recruited technicians for them in Shanghai. In February 1953 there were two new rubber factories in Shantung, one in Chuan (N 35-41, E 117-00) and one in Tsingtao. The factory in Tsingtao began production in December 1952 and had more than 500 workmen. It produced machine belts, water and gas hoses, and tires and tubes for hand carts.
2. In February the Office of the Commissioner of the Chungchiang (N 23- , E 113-) District, Kwangtung, established the Hsin Sheng (2450/3932) paper mill in Shihch'i (N 22-30, E 113-22). This mill was to produce two tons of newsprint per month. Some of its machinery had arrived in Shihch'i by February. The funds for the establishment of this mill were acquired by the Office of the Commissioner of Chungchiang from investments of overseas Chinese in the Philippines.
3. During January and February 30 to 34 of the 40 lumber mills in Foochow were closed down because of heavy taxation by the Chinese Communist government. The Chinese Communists forced the closed mills to move their equipment to the Nanp'ing (N 26-39, E 118-08) area.
4. In February the Ch'anghsing (N 31-01, E 119-56) Hsien government notified all government-operated and civilian-owned brick factories in the area of Lichiahsiang (2621/1367/1574) to report their output of lime bricks and tiles. The factories were prohibited from free local or export sales because the hsien government was to purchase all of their products. The lime bricks and tiles were to be used by the East China District Industrial Department for the construction of a large number of factory buildings in the coal mine areas.


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- 2 -

25X1A

1.  Comment. A trade agreement between Communist China and Ceylon was signed on 4 October 1952. On 18 December 1952 China and Ceylon signed an agreement providing for the exchange of rice and rubber.

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